



CHAPTER V. HOUSING PROGRAMS

It is the state's policy to encourage all grant applicants to participate in federal housing programs including, but not limited to, the following:

A. HOME

The state's Housing and Community Development Division received \$3,683,005 in April this year from this federally-funded housing initiative. Money is available on a loan basis, though terms and conditions can vary to ensure that very low income persons will be served - variations in loans can include zero interest loans and deferred payment loans if justified by the project cash flow. The division will fund only projects that benefit low and very low-income persons. No project will be funded which, in the opinion of the reviewers, unduly enriches the applicant.

Eligible activities are:

- ◆ Property/land acquisition;
- ◆ Rehabilitation;
- ◆ Site improvement;
- ◆ Development hard costs;
- ◆ Relocation;
- ◆ In limited and specific cases, tenant assistance;
- ◆ New construction; (CDBG may not be used for single-family new construction)
- ◆ Limited first time homebuyer assistance.

Prohibited activities are: project reserves, use of funds for federal match, or to assist projects previously assisted with HOME funds.

B. SECTION 502 RURAL HOUSING LOANS

This program's objective is to provide eligible persons living in rural areas with an opportunity to obtain adequate but modest, decent, safe, and sanitary dwellings and related facilities. Loans are available to qualified applicants to buy, build, rehabilitate, improve or relocate a dwelling and provide related facilities for use by the applicant as a permanent residence, and for a farm owner to provide housing for farm managers, tenants, sharecroppers and farm laborers. Monies may also be used to purchase sites, pay reasonable acquisition costs, provide adequate and safe water supply and/or sewage disposal facility, provide site preparation, purchase and install essential equipment in the dwelling. Contact Rural Development at 524-4320 for more information.

C. SECTION 504 RURAL HOUSING LOANS AND GRANTS

The purpose of this program is to assist eligible very low-income owner-occupants of single-family dwellings in rural areas, who lack repayment ability, to obtain loans to repair or improve their dwellings. Those repairs will result in the removal of most health or safety hazards, thereby making the dwellings safer and more sanitary for the occupants, their families, and the community. Authorized loan and grant purposes include but are not limited to installation and/or repair of sanitary water and waste disposal systems, together with related plumbing and fixtures; payment of reasonable connection fees for utilities which are required to be paid by the applicant and which cannot be paid from other funds; energy conservation measures; repair or replacement of heating systems; electrical wiring; repair or provision of structural supports, roofs, siding, and other necessary repairs when it is clearly necessary to remove health hazards to the occupants. Maximum grants are \$5,000 and maximum loan and grant combination is \$7,500. The only eligible applicants for grants are those 62 years of age and older. For more information please contact Rural Development at 524-4320.

D. SECTION 515 RURAL RENTAL HOUSING LOANS

The objective of this program is to provide eligible occupants economically designed and constructed rental housing and related facilities suited to their living requirements. The purposes of the loan are to construct new housing; purchase existing buildings only when major rehabilitation is necessary; purchase and improve the necessary land on which the housing will be located; develop and install water supply, sewage disposal, streets, heating, cooling and lighting systems necessary in connection with the housing; develop other related facilities; construct office and living quarters for the resident manager and other operating personnel; construct fallout shelters or similar structures and other related costs. Contact Rural Development at 524-4320 for more information.

E. EMERGENCY SHELTER GRANT

The state received an allocation of \$605,951 from the Stewart B. McKinney Act for FY 2008. This money can be used to lease, rehabilitate, or provide staff support for shelter but may not be used for land purchase or new construction.

F. SECTION 8 HOUSING ASSISTANCE

Local city and county housing authorities administer the HUD Section 8 Existing Housing Voucher and Certificate Programs. The program provides rent subsidies for low-income persons which are paid directly to a qualified landlord. Assistance is provided to low-income persons who have to pay large portions of their income for rent and utilities.

G. CRITICAL NEEDS HOUSING FUND

For FY 2009, the Utah State Legislature appropriated \$564,100 for this program. This source of funding provides grants generally from \$5,000 to \$25,000 and is primarily used for “brick and mortar”; there is limited use for staffing expenses. In early spring, the Division of Housing and Community Development sends out a "Request for Proposals" to a comprehensive mailing list with application deadlines set for April or May. Funding decisions are made in May or June with funds being made available on July 1. Eligible projects include housing rehabilitation, housing for minorities, physically/mentally disabled, chronically mentally ill, mentally retarded, farm workers, the elderly, housing for the homeless, technical assistance in rural areas to better utilize federal housing opportunities, and innovative housing techniques.

H. WEATHERIZATION

Private non-profits and the associations of governments for a number of years have operated this program. Weatherization services and repairs are provided for dwellings that house low/moderate income families.

I. PAMELA ATKINSON HOMELESS TRUST FUND

FY 2009 legislative appropriation totaled approximately \$2,472,300. This funding source subsidizes a variety of homeless and transitional housing across the state, with a statutory mandate that 20 percent must go to rural areas.

J. SINGLE FAMILY HOUSING REHABILITATION

Funds are available for rehabilitation and replacement of existing dwellings to fix code deficiencies. All applications are generated at the local level of government, i.e. association of governments, or local housing authorities. There is a local loan review committee in each locality that reviews the applications. There are not any grants available with this funding source. Every project is a loan. Funds are leveraged for each project with USDA Rural Development which has some limited grants available.

K. OLENE WALKER HOUSING LOAN FUND

The Olene Walker Housing Loan Fund assistance is available primarily through loans from federal funds such as the Housing Preservation Grant and HOME programs. Because most assets in the fund came from federal programs, the income generated has federal restrictions. Money in this fund is targeted to acquisition, rehabilitation, and new construction of single family and multi-family housing, as well as serving special needs: the fund owns several homeless shelters, several single family homes for the homeless, and four units for the chronically mentally ill.

Besides federal funds, the Olene Walker Housing Loan Fund was appropriated funds from the Utah State legislature for FY 2009 as follows: \$3,136,400; \$10,000 for affordable housing planning; and \$100,000 for the individual development account program. These funds, with the revenues from past appropriations, give the loan fund the ability to make loans from non-federal resources. These loans are primarily for multi-family housing developments in conjunction with state and federal Low Income Housing Tax Credits where the use of HOME funds would devalue those credits. However, the Olene Walker Housing Loan Fund Board has approved the use of some of these funds for technical assistance, and a portion has been used for single-family housing projects.

L. OTHER HCD HOUSING OPPORTUNITIES

The Division of Housing and Community Development welcomes opportunities to partner with local governments, quasi-governmental agencies such as public housing authorities, and non-profits in providing affordable housing opportunities to Utahans. These partnerships have applied successfully in national competitions for the following federal housing programs, with the Division often pledging a significant portion of the required matching dollars:

Housing Opportunities for People With Aids (HOPWA) is a HUD funded program. It provides housing and support services for people who are HIV/AIDS positive. The division received \$115,000 in FY 2008 for construction, rental subsidies, and supportive services. This program is currently being operated in cooperation with Salt Lake City and the Utah Aids Foundation.

Contact persons for the various programs listed above are:

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